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"Major Issues in Building Up U.S.-China Relationship for the 21st Century"

Max S. Baucus

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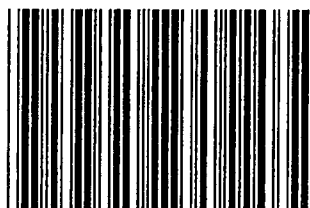
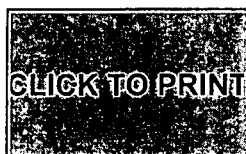
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(2) Subject* **Major Issues in Building Up US-China Relationships for the 21st Century**

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BAUCUS

LINCOLN LECTURESHIP

Major Issues in Building Up US-China Relationship for the 21st Century

**US Senator Max Baucus
Shanghai July 30, 1998**

Good afternoon, everyone.

I first want to commend you, students and members of Fudan University, for all that you have done. At the President's roundtable discussion this morning, I heard the name "Fudan University" many many times. You have a professor who was there, former graduates who participated in the roundtable, and your most distinguished participant in the roundtable is your former president, Madam Xie Xihe. I want you to know that you were represented very well.

I would also like to give my thanks to President Yang Fujia. I have a high admiration for presidents of all universities all over the country, because they are performing a very very valuable, in fact in some ways, the most valuable function that a person could, that is helping educate people for the future. I could think of no better investment and no better use of anyone's time than that. And I have the highest regard for you, Mr. President, and I know the high regard the students have for you as well.

And my thanks, too, to Howard Margules of Lincoln National. I want to thank you very much for all that you have done, and particularly to Mr. Thomas Scanlen(?), who has traveled a long way to be here. He just arrived from the United States, as well as Professor Zhou Dunren(?) here in Shanghai, who worked so hard to make this Lincoln Lecture Series possible. Your work together in international affairs is exemplary. And the students in this university, I know, are fortunate to be guided by your expertise.

Over the past week, I have been traveling in various parts of your country with the president, participating in the United States-China summit. I have visited your ancient capital of Xi'an, your bustling political center of Beijing, and today the financial capital of China - Shanghai. This is not my first visit to China. I have visited China several other times, but it is my first visit to Shanghai. But I can tell you throughout the visit during this week the feeling I received is a sense of appreciation, the openness, the sense of hope of the Chinese people, from looking at your faces, the

faces of everyone, beginning in Xi'an, and particularly in Xi'an who do not see an awful lot of presidents coming to their capital as often as in Beijing, the wonderful sense of hope for our world's future. It is a tremendous statement. It is one which I think we should build upon, to make certain the possibilities, the opportunities that we see ahead of us actually reach ? .

Again why is this trip so different from so many others? Essentially it is because I see so much hope. It is the one word which I think summarizes what's happened this week, and it is somewhat representative because our president, President Clinton, was born in Hope, Arkansas. We just visited a children's hospital early this afternoon sponsored by Hope America. It is a foundation to help work in international relations, particularly in health care. And Hope is the word that I think characterizes. I see a new generation. I see you, working so hard to enter the 21st century. I see it in the eyes of American students. Those of you here today will shape that future, you and other students throughout China and the world. You are China's future leaders, and innovators, as well as pioneers and tomorrow's peacemakers. And like university students in America, you have the power to prosper through technology, through a dialogue and through the shared force of will.

With these opportunities come certain responsibilities, our responsibilities, your responsibilities, responsibility of our people, of our governments, of all the countries to think ahead about principles, about values, about goals, and how we can best achieve it. What are they? They are the same values and goals we all have. It makes no difference whether it is from my hometown, Hilla(?), Montana, the president's hometown, Hope, Arkansas, you in Shanghai, the people we visited in Xi'an, all over China. They are values of peace. People throughout the world want peace, and they want a decent world to live in. To achieve these goals, it is obvious that sometimes the most tried things are the most true. It is obvious that we must work together. Americans know that we all must play an active role in making this world a better place to live in.

It is evident to me that the United States and China both want a stable peace. The importance of this ideal has been underscored in the past week's agreement between President Clinton and President Jiang to detarget missiles that have been aimed at each other in the past. This is a step in the right direction. As well as commitments to not transfer technologies to countries like Pakistan and Iran. Major steps have been achieved during this summit.

Another example with respect to the India - Pakistan crisis. That is our

ability, the Chinese and the American government to work with one another to prevent needless nuclear testing. This demonstrates a bilateral effort to promote peace and promote stability in a volatile region.

But we Americans still have concerns about, for example, the division of the Korean peninsula, the continued potential threat of 1.2 million North Korean army just near the demilitarized zone. In fact this is the only issue ever brought the United States and China close to war and actually at war. The Korean peninsula is a clear-cut case, for the United States needs the cooperative working relationship of China and I think we have it. The Chinese government offers North Koreans advice, provides food and does what it can to move the talks ahead. These efforts are appreciated.

A couple of years ago I was in North Korea and later visited Beijing, met with President Jiang. We talked about many many issues including North Korea. It was very apparent to me that he was, your country was most helpful with the United States and also with the four party talks to help find a peaceful resolution to the peninsular.

I am optimistic that China and Taiwan will resume dialogue to resolve their differences with caution and foresight. Your generation will be responsible for, if not a reconciliation, at least stability in the Taiwan Strait.

Finally I believe it is incumbent upon all nations to prevent the spread of nuclear weapons. It is the major responsibility that we all have and we have to work to help make that happen. It does not come automatically.

China's potential as a positive mediator in South Asia can not be overstated. I deeply appreciate your country's efforts with respect to Pakistan and India. Now I hope that China will work as hard at averting the proliferation of nuclear arms in Asia as it has in preventing the spread of the recent Asian currency crisis by not devaluing your country's currency.

China's role in peace and in stability is very significant. It is essential. It includes your government's decision to not devalue. This wise action has obviously helped stabilize Asia. And if a recovery occurs soon, it will be in no small part due to your efforts. And I thank your leaders for the courage in undertaking this effort.

Now what about prosperity? One values peace. We all want peace. What about prosperity? In both of our countries it is about the same. We worry about making a living. What we call in American a decent wage or salary,

an income that is high enough to make ends meet. We want a good job. We want a safe place to live. We want to be able to put food on the table. Have enough to eat. We want our kids to be able to go to good schools. We care about our kids probably more than anything else, and make sure they will have a very good life or a better life than even we have. That's what we want. We in America call it the American dream. And I am sure you in your country have a similar term for it.

We can achieve these goals by engaging in three particular issues of mutual benefit --- free trade, human rights and the environment.

As Americans seeks to gain further market access from China, it can help China accede to the World Trade Organization. That will go a long way. One such example is the annual debate over the renewal over China's Most Favored Nation trading status.

I, several years ago when it became a major issue during President Bush's administration, was one of seven democrats in the United States senate joining with the Republicans to sustain President Bush's veto of a bill that would have prevented MFN, or would have passed this called conditional MFN, setting conditions which are so extreme that in effect there will be no MFN, because I believed strongly that the best way for both our peoples to advance and grow is through more trade and to help build those bridges even though it might cause some short term dislocations and some considerations for all of us as we enter into a more competitive, a more free market as the world gets globally more competitive. MFN is critical.

As you know just last month President Clinton put forth his annual request for renewal of MFN for China. I must tell you, though, this request faces skepticism and criticism by many members of the congress today. These people who are skeptics and critics believe that China does not deserve MFN status. I think they are wrong. While China still needs to make dramatic reforms to catch up with the rest of the world, I do not believe that denying what in effect is a normal trading relationship is the best way to engage China. For that reason I will do what I can to make sure that MFN is extended, again benefiting both of our countries and it would increase more certainty in our trade relationship in helping our country to be more open and secure more trade.

Trade, though, is not the only issue. I am curious. How many of you watched the televised conference between President Clinton and President Jiang? Raise your hands if any of you saw that televised news conference. Don't be hesitant. Raise your hands if you saw it. How many

of you heard about that televised press conference? Well, a lot of you heard about it. I will bet more than the number of hands that went up heard about it. How many of you believe that this press conference will have a deep effect, will have some effect on your lives? Anybody thinks that? One, two, three, good. Five of you view that this press conference is going to have a tremendous effect on your lives, American lives. Why is that?

Very simply, because here we are, the President of the United States of America and the President of China, standing on the same platform, talking mutually to each other with equal respect toward each other about problems, trying to find a resolution. And the problem they were discussing that was most riveting was human rights and our various forms of government, yours and American's. Watched nationwide in China for those of you who happened to be in front of a TV set, watched nationwide in America, that is opening up. That sends a very powerful signal to Americans that China is an equal partner. And I would hope to the Chinese people who watched it, our two leaders are trying to find more common ground and will find it because of the sense of friendship and a sense of good will that that meeting generated. I think it will have a very significant and positive effect on our lives.

Millions also watched because they believed China should be expected to live up to the standards of international standards of human rights. All countries should be expected to live up to the international standards of human rights. America should, all countries should. We all know that there are basic fundamental human rights and all peoples should have nationwide, worldwide, and it is very important that we work toward that.

Why do we Americans believe so strongly in human rights? Why is that? Essentially because even though our country is only two hundred and twenty years old, our nation in some ways was founded by dissidents. Our forefathers left Europe to escape tyranny, to escape suppression, to escape their inability to practice the religions that they wanted to practice. They wanted to be more free. They wanted to run their own lives. They came to America to be able to conduct their own lives in a way they wanted to rather than having the government back in Europe, particularly in England, to tell them how to run their lives. That is why our Constitution has its Bill of Rights. You may know that the four people who wrote our Constitution when they agreed on the Constitution, they had to first agree on what is called the Bill of Rights. That's the first Ten Amendments to the United States Constitution, our Bill of Rights. That's part of our Constitution, first Ten Amendments. What are those rights?

First and probably the most important is the right of free speech, the right to speak your mind freely; the right of free press, for the press to write freely; and right of assembly. Another right is in our fourth amendment, that is the right against personal search and seizure. Basic rights. The rights of freedom of religion is in our first amendment. And the right that the government can not have a state religion. Those provisions in our Constitution are the reasons why we Americans (I get too excited here) believe so firmly in human rights.

Now, we are not saying that your country should have the same system. We are not saying that at all. We are just saying that is our system, and we believe our system has helped us very very much because with more personal freedoms and freedom of expression, and freedom of religion, we believe that generates more ideas, more constructive ideas. It is based upon an earlier English philosopher John Lock *The Marketplace of Ideas*, the assumption being that the more people freely discuss a subject, the more likely it is that the truth or something better will emerge. I believe that first of all. It helps explain why our economy is doing well. Sure President balanced the budget with the congress, lower the interest rates, lower the inflation rates. But this actually sets the stage and the condition for people to set up their own business, to market their products however they want to, and to try a new product, a new idea. It is freedom, a freedom to do what each of us wants to do, because each of us knows that the more each of us has a stronger sense of (turn to Side B of tape) .That is our believe. We just ask you to look at our system, do what you want about it, accept the parts of it you think are good, reject the part you think are not so good, but decide for yourself. But we think that it works pretty well, at least it has thus far for us.

I just like to finish up with one more subject, and that is the environment. I believe that one of the most important issues we are going to be facing in the world is our global environment. It is water pollution. It is pollution of the seas. It is more endangerment of the species, the weather, the fish in the ocean, the animals on land, and particularly global warming, and the rise of emissions of greenhouse gases. I say that because first we Americans are the largest polluter. We Americans emit 25% of the world's greenhouse gases. We are the biggest culprit(?).

The trends though are in China is that China will surpass the United States in roughly ten or twenty years unless your country is able to take some steps to prevent that. Chinese coal fire power plants today are about 16% efficient. There are technologies presently available today which will raise that to about 42% efficient. So as the developed countries, America, England, Germany, work to lower green house emissions, I

believe it is developing countries, like China, who will soon be emitting probably much more carbondioxide gases than are today. We have to find some common ground to reduce the emission of those gases because otherwise it is clear that the vast majority of scientists agree the world is getting warmer. It is getting warmer. It is pretty warm today. And scientists agree that most of that increase today is caused by us. It is by people. If it is caused by us, we of course have to do something about it.

So I will just sum up by saying that as we address all these issues, including the environment, I believe that we have more technologies to help find more creative solutions to these problems. It is not a zero sum game when it comes to the environment. That is, there is no one hundred percent trade off between jobs and clean air or clean water. Rather it is, to use that overworked expression, a win-win. That is with new technologies we can do both. In America, for example, in the 1970s, our rivers, our streams, were quite polluted. Air in many of our cities was dirty. America's environmental laws were almost all enacted in the 70s', in the early 1980s'. That's when America began to enact environmental laws. What is the result? The result is much cleaner air, much cleaner water in America.

When I first was elected to the congress in 1974 the Potomac River, which ran through Washington D. C. stunk. It was putrid(?). You could smell it as you drove by. It was awful. Today you can swim at the Potomac River. Back in 1980 the Kaiohoga(?) river in the city of Cleveland burned. It was on fire. A river burned. It was on fire. Why? Because of all the pollutants in the river. We have cleaned up our water. Not totally. Not entirely. But very very significantly. And we have cleaned up our air. The air in our cities, in Los Angeles, for example, is much cleaner now than it was several years ago, because we invested in the technologies to help make that happen. And meanwhile the economy is taking off. Per capita income has risen, skyrocketed. So we can have both, with a little creativity and a little bit of effort.

I know you here in Shanghai have prohibited lead gasoline's. I think you are the only city in China to do so. That is wonderful, because that will make a difference. Really all this comes down to in many ways is the basic standard of what is best for our children. Because if we ask ourselves what is best for our children with respect to almost any law we might enact, or any major action we might take, we will probably make the right decision, because we want to leave this earth in as good a place or as good a condition, or better condition than we found it. There is such a strong drive to help our kids, our children lead better lives than we have. It is a strong natural drive.

So as we work together, as we build upon the summit, I just urge all of us to make the extra effort. It is a (?) effort. It is not automatic, and to remember that if it is right for the children is morally right and we are going to do very very well. And when the next summit occurs whether it is your president visiting America or our president visiting your country we can look back upon this week as the turning point when our relations began to get much much better and just take off and be very very solid.

Thank you very much.

United States Senate

WASHINGTON, DC 20510-2602

Shanghai July 30, 1998

Major Issues in Building Up: US-China Relationship for the 21st Century

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Now what about prosperity? One values peace. We all want peace. What about prosperity? In both of our countries it is about the same. We worry about making a living. What we call in American a decent wage or salary, an income that is high enough to make ends meet. We want a good job. We want a safe place to live. We want to be able to put food on the table. Have enough to eat. We want our kids to be able to go to good schools. We care about our kids probably more than anything else, and make sure they will have a very good life or a better life than even we have. That's what we want. We in America call it the American dream. And I am sure you in your country have a similar term for it.

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I just like to finish up with one more subject, and that is the environment. I believe that one of the most important issues we are going to be facing in the world is our global environment. It is water pollution. It is pollution of the seas. It is more endangerment of the species, the weather, the fish in the ocean, the animals on land, and particularly global warming, and the rise of emissions of greenhouse gases. I say that because first we Americans are the largest polluter. We Americans emit 25% of the world's greenhouse gases. We are the biggest culprit.

If current trends continue, though, China will surpass the United States in roughly ten or twenty years unless your country is able to take some steps to prevent that. Chinese coal fire power plants today are about 16% efficient. There are technologies presently available today which will raise that to about 42% efficient. So as the developed countries, America, England, Germany, work to lower green house emissions, I believe it is developing countries, like China,

who will soon be emitting probably much more carbon dioxide gases than they are today. We have to find some common ground to reduce the emission of those gases because otherwise it is clear that, as the vast majority of scientists agree, the world is getting warmer. It is getting warmer. It is pretty warm today. And scientists agree that most of that increase today is caused by us. It is by people. And if it is caused by us, we of course have to do something about it.

So I will just sum up by saying that as we address all these issues, including the environment, I believe that we have more technologies to help find more creative solutions to these problems. It is not a zero sum game when it comes to the environment. That is, there is no one hundred percent trade off between jobs and clean air or clean water. Rather it is, to use that overworked expression, a win-win. That is with new technologies we can do both. In America, for example, in the 1970s, our rivers, our streams, were quite polluted. Air in many of our cities was dirty. America's environmental laws were almost all enacted in the 70s, in the early 1980s. That's when America began to enact environmental laws. What is the result? The result is much cleaner air, much cleaner water in America.

When I first was elected to the congress in 1974 the Potomac River, which ran through Washington D. C. stunk. It was polluted. You could smell it as you drove by. It was awful. Today you can swim at the Potomac River. Back in 1980 the Cuyahoga river in the city of Cleveland burned. It was on fire. A river burned. It was on fire. Why? Because of all the pollutants in the river. We have cleaned up our water. Not totally. Not entirely. But very significantly. And we have cleaned up our air. The air in our cities, in Los Angeles, for example, is much cleaner now than it was several years ago, because we invested in the technologies to help make that happen. And meanwhile the economy is taking off. Per capita income has risen, skyrocketed. So we can have both, with a little creativity and a little bit of effort.

I know you here in Shanghai have prohibited lead gasolines. I think you are the only city in China to do so. That is wonderful, because that will make a difference. Really all this comes down to in many ways is the basic standard of what is best for our children. Because if we ask ourselves what is best for our children with respect to almost any law we might enact, or any major action we might take, we will probably make the right decision, because we want to leave this earth in as good place or as good condition, or better condition than we found it. There is such a strong drive to help our kids, our children lead better lives than we have. It is a strong natural drive.

So as we work together, as we build upon the summit, I just urge all of us to make the extra effort. It is not automatic, and to remember that if it is right for the children, then it is morally right and we are going to do very very well. And when the next summit occurs whether it is your president visiting America or our president visiting your country we can look back upon this week as the turning point when our relations were set on a solid foundation.

Thank you very much.